



JENNIFER M. GRANHOLM
GOVERNOR


STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

MARY A. LANNOYE
DIRECTOR

May 2, 2005

MEMORANDUM

TO: Chief Financial Officers & Human Resources Directors
All State Agencies

FROM:  Michael J. Moody, Director
Office of Financial Management

SUBJECT: Mandatory Electronic Funds Transfer for Non-Classified
State Employees

Public Act 533 of 2004 requires that payroll, expense reimbursement, and other payments to non-classified state employees be issued by electronic funds transfer (EFT) starting October 1, 2006, for Department of Community Health and Department of Human Services employees, and October 1, 2005 for all other employees. Non-classified state employees include elected officials, board and commission members, appointees, and any other state employees who are not members of the classified state service.

Beginning October 1, 2005, the Office of Financial Management (OFM) will monitor compliance with Act 533 by reviewing payroll and other payments to affected employees on a quarterly basis. Agencies issuing payments by warrant that are required to be issued by EFT will be notified and asked to take corrective action.

To assist agencies in complying with the provisions of Act 533, OFM will provide each agency with a list of its affected employees who are not signed up for payroll EFT within the next few weeks. It will be each agency's responsibility to ensure that employees on the list are enrolled in EFT prior to the specified deadline.

Because of the difficulty in centrally compiling an accurate list of employees who regularly receive expense reimbursements and other types of non-payroll payments,

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OFM will not provide lists of affected employees who are not signed up for non-payroll EFT. However, agencies are encouraged to identify employees who regularly receive such payments and are not currently enrolled for non-payroll EFT, so that they can be enrolled by the applicable deadline.

Employees can sign up for payroll EFT to up to four accounts through MI HR Self Service at www.michigan.gov/selfserv. Employees can also sign up by calling the MI HR Service Center at 1-877-766-6447, if their agency participates in MI HR, or by contacting their agency human resources office, if their agency does not participate. To ensure an employee's payroll is issued entirely through EFT, employees must have at least one of their EFT enrollments designated as their default account.

Employees may sign up for EFT for expense reimbursements and other non-payroll payments through Contract and Payment Express at www.cpexpress. In order to ensure non-payroll payments to affected employees are issued by EFT, the employee must be registered for EFT on the MAIN FACS vendor file and payments issued through ADPICS and R*STARS must be issued using the employee's 001 mail code and a payment distribution type of DA, DD, D2 or D3.

Please note that this memo, applies only to the Act 533 provisions regarding payments to employees. Information and guidance regarding provisions in the act related to vendor payments will be issued separately.

If you have questions regarding this memo, please contact Peter Woodford, Manager, HRMN Payroll Service Center at (517) 335-3588.